



**D A L H O U S I E
S T U D E N T
U N I O N**

**SOCIETY TREASURER'S MANUAL
2007-2008**

Introduction

This booklet is designed to help you, in your role as a Society Treasurer, properly maintain your society's financial records. While this is designed to be an introduction to these responsibilities the booklet is far from a comprehensive accounting guide. Instead the following information is designed to guide you through some of the obstacles and duties you may encounter as Treasurer. If you require further information, you can contact the Dalhousie Student Union Vice President Finance and Operations.

When the Dalhousie Student Union was incorporated in 1966 the Provincial Government recognized the DSU as the only official society on campus. As the University grew, so too did the number of societies. As the only government recognized student body on campus, the onus of representing everyone fell on the shoulders of the DSU. In the interest of adequately representing all students, the DSU recognized the importance of faculty-based societies. Given that all society members are Dalhousie students, the DSU Vice President Finance and Operations was given the right and issued the responsibility to ensure their funds were not misappropriated. Consequently he or she audits the books of all societies that receive levies to test for accuracy, completeness, and existence of records as a means of ensuring that student monies have been prudently spent. Every society receiving a levy will have their books audited once each semester. In order to complete a proper audit a standard bookkeeping process has been outlined in this booklet. By following this process, the annual audit will be easier for you and the length of time to complete the audit will be drastically reduced.

No matter how your society compares to other DSU societies, it is the responsibility of the Treasurer to ensure funds are properly handled. Your peers have selected you to handle the society's money. Please never forget the weight of responsibility that comes with this new found opportunity.

Best regards for a successful year,

Gareth Stackhouse
Vice President Finance and Operations
Dalhousie Student Union
V.902.494.1278|F.902.494.6647| www.dsu.ca|dsuvpfo@dal.ca

October 11th, 2007.

Table of Contents

Bookkeeping	4
General Ledger	4
Recording Transactions in the General Ledger	5
Cheques.....	5
Transaction Records.....	6
Cash Payments.....	7
Bank Reconciliation.....	8
Sample Reconciliation.....	9
Budgeting.....	10
Budget Lines	10
Sample Budget.....	11
Audits and Fees	12
S.7 §14 (a)-(j) of the Dalhousie Student Union Constitution.....	12
Purpose.....	13
How to Prepare for an Audit – ‘A’ and ‘C’ Level.....	13
Grants	13
Further Information	13
Appendix ‘A’ – DSU Audit Workbook.....	14
Appendix ‘B’ – Sample Transaction Record	19
Appendix ‘C’ - Reconciliation Template	20

Bookkeeping

Proper bookkeeping forms the basis for success in a society's financial life. There are certain accepted accounting practices that will ease the entire process.

General Ledger

A general ledger (record book) is an essential piece of equipment. A ledger is a legal document that records all the transactions of your society. The size of your ledger is dependent upon the size of your society's Finances. At a minimum, a ledger should be a hard bound book, with columns for the date, debits, credits, cheque #, current balance, and a description of transactions. If you are familiar with computers, please feel free to supplement a computerized spreadsheet for the ledger, but it is necessary to maintain a current hard copy also, in case of hard drive disaster.

Note that the ledger may be considered a legal document. As such, if an error is made, do not remove pages or use whiteout. Errors in a particular line or entry may be crossed out with a single line and initialed. Errors covering several pages may be crossed off with a single line though the page and the pages may be stapled together. Lastly, Always Use Pen!

The first column is for the date. All transactions should be dated for easy reference. The second column is traditionally used for your description. Each transaction should be recorded with a specific description and each transaction receives its own line. Note that "stuff" or "miscellaneous supplies", etc. do not qualify as specific descriptions. The following column is for the exact amount of the transaction. For clarity, it is often easier to use two columns, one for debits (money in) and another for credits (money out). To ease reconciliation with bank statements to have an additional column to record cheque numbers. The final column is for the running balance.

Figure 1.1 – Sample General Ledger

Date	Item	Cheque No	Debit (+)	Credit (-)	Balance
2007-10-01	Balance forward	-	-	-	2,489.23
2007-10-02	Reimburse A. Student for Theme night supplies	478		125.72	2,363.51
2007-10-03	Deposit of Theme night cover money		400.00		2,763.51
2007-10-07	September Bank Fees			12.50	2,751.01
2007-10-28	Deposit of DSU Fall Fees		5,460.00		8,211.01
2007-10-29	D' Level fees to Society X	479		250.00	7,961.01
2007-10-29	D' Level fees to Society Y	480		250.00	7,711.01

Recording Transactions in the General Ledger

At the beginning of your term you need to put a balance forward from the previous year. If your previous council had a surplus, that amount will be your balance forward. Regardless of the size or nature of the transaction, immediately record the amount in the ledger. Write down all the necessary particulars, so others can understand and verify your work. In the past, societies have run into financial problems because a Treasurer failed to record the little items. Eventually, little details add up. Please ensure you record every transaction.

If you have an external account, every cheque should have a corresponding number. The date, payee, cheque number and amount should all be indicated. Incidentally, bank charges often sneak by Treasurers, so watch out for those hidden external bank charges. (It is a good idea to find out what these charges are at the start of the year.)

When recording transactions, do not forget to identify the item as a debit or credit. A credit is an expense you have incurred, while debits are your deposits, revenue, and interest earned on your external bank account. An important part of recording is the running balance. By keeping track of your running balance, you will have a better concept of your society's cash flow. Identifying your present balance can illustrate budgetary errors and help avoid running out of money, which in technical financial terms is called "Not Good".

Cheques

Cheques are the BEST WAY for a society to pay debts. If a society has a cheque book it is recommended that it be of the dual signature type with stubs. Society Policy requires three signatories be designated for the bank account on which cheques are being written and they **MAY NOT** sign cheques to themselves. It is recommended that you ask your bank to return all cashed cheques so that they may kept for reference. A cheque is considered stale-dated after six months, unless it has been certified. At this point you may cancel it by contacting your financial institution. Note there may be a charge associated with cancelling a cheque.

For more information about the exciting world of cheque payments please visit The Canadian Payment Association at <http://www.cdnpay.ca/>.

Transaction Records

Recording the reasons for all in and out flows of money is **very** important. **Please keep all your receipts/invoices.** Generally, organizing receipts as they come in will ease reconciliation and aid in tracking transactions. Receipts should be labeled and dated and will be easier to justify if they are organized to correspond with ledger entries. You should attach your receipts/invoices to a form describing the transaction and a sample transaction record sheet is included as 'Appendix B'. This will clarify where all those little pieces of paper came from and will produce uniform size receipts that will be easier to file and sort through. It is recommended that the transaction record sheets be put in a binder or similar. Frequently occurring types of transactions are:

1. Purchases by Society members
 - a. Ensure that the purchases were approved and in the best interest of the society
 - b. The back-up for your transaction record is the receipt
2. Invoices for goods and services rendered
 - a. Ensure this was approved and purchased by your society. Societies sometimes get bills delivered to them for faculties and other departments. Don't pay someone else's bills!
 - b. Check that the goods and services specified on the invoice were delivered in full! Getting what you pay for is good!
 - c. Ensure that the purchases were approved and in the best interest of the society
 - d. The back-up for your transaction record is the invoice
3. Honoraria
 - a. These are paid out as per your society constitution, generally at specified intervals during the year
 - b. The back-up for your transaction record would be the relevant page of your society's constitution with the amount/position highlighted
 - c. If the honoraria amounts are adjusted down by a council vote (generally for poor job performance) the relevant page of council minutes must also be attached and highlighted
4. Disbursements approved by council
 - a. Society councils will at times vote to give funds to individuals and groups generally as sponsorship/grants or as funding for 'D' level societies
 - b. The back-up for your transaction record would be the relevant page of council minutes must also be attached and highlighted

Cash Payments

While the term 'paper trail' conjures images of mass bureaucracy, maintaining transaction records is essential. Unless it is absolutely necessary, **do not pay in cash**. If you are forced to pay in cash, use petty cash and be sure to collect a receipt. If a receipt is missing, the money is technically missing. You can also get someone to pay for the item using their own cash and, as long as they keep a receipt, you can write a cheque to reimburse them.

If you are collecting cash for a product your society is selling, be sure to issue a receipt to the purchaser for the purchase. Simply taking incoming cash and using it for other purchases is not an acceptable accounting practice. As a general rule try to separate all transactions. Deposits must be separated from withdrawals, and deposits and withdrawals to different sources from each other *i.e.* if you are depositing revenue from a pool tournament and money generated from membership dues, make two separate deposits, not one combined.

If a float is required for some purpose or society function, it should be recorded in the ledger exactly when and how much is withdrawn to make up the float. The float should be out of the account for as short a time as possible. When the float is returned to the account, it should be recorded in the ledger as a deposit of float, separate from any profits made at the function. "Money in equals money out" must be your rule for floats.

Bank Reconciliation

The following information was taken from *Financial Accounting* by R.F Meigs, WB Meigs and WP Lam, 1991.

Each month your bank will provide you with a statement of our account. Ensure that these are being mailed to the correct address should you not be receiving them!

Essentially, reconciliation is a schedule used to describe any differences between the balance shown on your books and the balance shown on your bank statement. After receiving your statement, you should prepare a reconciliation to verify your records are in agreement with the bank statement.

More often than not, your statement will not match the bank's. There are a few common variances to watch for:

1. A particular cheque has not been returned to you
2. Failure to record all issued cheques
3. Service charges
4. Credits for interest earned
5. NSF cheques (Non Sufficient Funds)
6. Outstanding cheques
7. Deposits in transit

During the reconciliation process you will adjust your balances to match the bank's. The following are a few basic steps required to complete a reconciliation:

1. Compare the deposit listed on the bank statement with the deposit shown in your general ledger. If deposits are not noted in your bank statement, they are Deposits in Transit. Any Deposits in Transit from the previous month should appear in the following month's statement.
2. Compare your records to the returned cheques. If cheques have been issued but not yet paid by the bank, they should be listed as Outstanding Cheques. All Outstanding Cheques should be deducted from the statement balance.
3. Deduct debit memos and add credit memos.
4. Correct all bank discrepancies. If the bank issued the cheque at \$100.00, make sure your records match.
5. Check to make sure your final bank statement balance matches your records.

Sample Reconciliation

Bank statement for October 2007:

Your account statement from a bank that cares about you					
Date	Item	Cheque No	Debit (-)	Credit (+)	Balance
2007-10-01	Balance Forward				2,851.69
2007-10-02	Cheque	477	15.75		2,835.94
2007-10-03	Cheque	450	359.21		2,476.73
2007-10-03	Deposit - ABM 435			400.00	2,876.73
2007-10-12	Cheque	478	125.72		2,751.01
2007-10-28	Deposit - ABM 435	-		5,460.00	8,211.01
2007-10-30	October bank fees		12.50		8,198.51

Note – returning to the General Ledger cheques 477,450,478 should be checked off to indicate that they have been cashed

General ledger (from figure 1.1):

Date	Item	Cheque No	Debit (+)	Credit (-)	Balance
2007-10-01	Balance forward	-	-	-	2,489.23
2007-10-02	Reimburse A. Student for Theme night supplies	478 <input checked="" type="checkbox"/>		125.72	2,363.51
2007-10-03	Deposit of Theme night cover money		400.00		2,763.51
2007-10-07	September Bank Fees			12.50	2,751.01
2007-10-28	Deposit of DSU Fall Fees		5,460.00		8,211.01
2007-10-29	D' Level fees to Society X	479		250.00	7,961.01
2007-10-29	D' Level fees to Society Y	480		250.00	7,711.01

Reconciliation:

Note that where the highlighted amounts are gathered from and where they fit within the reconciliation sheet.

Reconciliation				
Balance as per bank statement:				8,198.51
PLUS Outstanding deposits				
	Information	Chq #	Amount	
1			-	
2			-	
3			-	
4			-	
	Total			-
LESS Outstanding Cheques				
	Information	Chq #	Amount	
1	D' Level fees to Society X	479	250.00	
2	D' Level fees to Society Y	480	250.00	
3			-	
4			-	
	Total			500.00
	Adjusted Bank Balance			7,698.51
Balance from General Ledger				7,711.01
<i>Adjustments (bank charges, interest)</i>				
	October Bank fees		(12.50)	
(This number should match your adjusted bank balance)				7,698.51

Budgeting

One of your first duties as a new treasurer is to develop a comprehensive budget which is an estimation of revenues and expenditures for the coming year. Ideally, this budget should be prepared in consultation with your predecessor and your society council. By consulting with the previous treasurer, you will gain from their experience and avoid the duplication of mistakes. If communication with the previous treasurer is not feasible, the records of the previous years and other previous executive members may be helpful. The budget should be based on the actual expenses of the preceding year. If you receive a direct levy from students you can get a copy of the financial activity related to your fees from the DSU VP Finance and Operations.

When creating a budget it is important to determine the source and amount of your society's revenues. By accurately estimating the year's revenues, you will be in a better position to decide where to distribute your funds. Clearly, it is essential your society does not spend more money than your various revenue sources provide.

After you have compiled your budget, you must have the document approved by your council. The budget cannot be considered a valid working document until your council passes it. Remember to ensure you are following the quorum guidelines set out in your society's constitution.

Frequently consulting with your budget as the year progresses will allow you to keep track of where your money is going. In addition, adherence to the budget will ensure you do not overspend in a particular area.

Budget Lines

By creating budget lines or categories you will be in a better position to record information in your ledger. The tricky thing with categories is to make them general without being vague and comprehensive without being too specific. For example: Telephone, Postage, Supplies are all appropriate. On the other hand, pens, paper, and erasers are too specific. Avoid using the "miscellaneous" category if at all possible. While the "miscellaneous" category can seem like an easy solution, utilizing "miscellaneous" makes accurate record tracking difficult and rather messy. When you are forced to use "miscellaneous", record the exact amount and note exactly what item was purchased.

Sample Budget

This is a sample. Categories and dates are for illustrative purposes only.

(FISCAL YEAR MAY 1st, 2007 - APRIL 30th,2008)

	Budget 2005-2006	Actual 2006-2007	Budget 2007-2008	Actual YTD 30-Sep	Notes
REVENUES:					
Student Fees					
Social Events:					
Graduation Revenue					
Activities:					
Orientation Rev.					
Charity Fundraising					
Other Revenues					
<hr/>					
Total Revenues					
<hr/>					
EXPENSES:					
Social Events:					
Christmas Dance					
Spring Ball					
Graduation Ball					
Total Social Events					
Activities:					
Orientation					
Charities – money raised					
Total Activities					
Conferences:					
Career Day					
Faculty Reception					
Total Conferences					
Office Expenses:					
Phone & fax					
Photocopying & printing					
Supplies					
Service Charges					
Total Office					
Miscellaneous Expenses:					
Marketing & Promotions					
Newsletter					
Other Ad Hoc Expenses					
Total Miscellaneous					
<hr/>					
Total Expenses					
<hr/>					
Net income (deficit)					
<hr/>					

Audits and Fees

As outlined in the following section of the Dalhousie Student Union Constitution audits are mandatory for any 'A' or 'C' level society to receive their fees. Some 'A' level societies whom give disbursements to 'D' level societies ratified.

S.7 §14 (a)-(j) of the Dalhousie Student Union Constitution

Societies Receiving Direct Levies ('A' and 'C' Level Societies)

14.

a) The DSU will issue society membership fees in two installments of approximately equal value. The first installment will be issued before October 30 and the second installment before February 28 of each regular academic session provided Clauses 'B' and 'C', below, are met

b) Each year the Vice President (Finance and Operations) must audit the accounts of every Society receiving a direct levy before issuing any Society fees. The audit process must be substantiated with formal written communication which should indicate areas for improvement.

c) If there are any significant accounting discrepancies with a society, the problem may be brought to the attention of Council and the funds may be withheld from said society.

d) The Vice President (Finance and Operations) must publish the results of each society audit in the Gazette by October 30 of each year, noting if a society has passed, failed or not submitted their records for auditing.

e) All 'A' & 'C' societies must submit their financial records to the DSU Vice President (Finance and Operations) before December 3 in first semester and April 9 in second semester. Including but not limited to: receipts, ledger, canceled cheques, and bank statements

f) All 'A' & 'C' society financial records can only be released upon authorization from the DSU Vice President (Finance and Operations) or Council.

g) To increase an 'A' society fee, the society must follow the procedure outlined in By-law VII, the Council shall refer the increase to the Board of Governors and require the final approval of the Board of Governors before taking effect.

h) 'A' & 'C' Societies must be ratified by the DSU before receiving any society fees.

i) 'A' & 'C' Societies must also provide a copy of minutes in which the said society has approved a budget before receiving any society fees.

Purpose

Audits exist to test the completeness and accuracy of accounting records as an assurance that student funds are being used in a manner consistent with the goals of the society and benefiting all society members.

How to Prepare for an Audit – ‘A’ and ‘C’ Level

The DSU Society Audit Form is contained in Appendix ‘A’ of this document for your reference. Records are required dating to not less than the beginning of the semester for which funds are being sought. Please submit the following items when being audited, they are **mandatory**:

- General Ledger
- Cheque book
- Deposit book
- Transaction records
- Bank reconciliations and bank statements
- Meeting minutes (signed)
- Approved budget (if first audit of the school year)

Audit materials can be turned into the DSU VP Finance and Operations in room 222 of the Student Union Building. Fall audits should be submitted prior to **October 30th**, winter audits prior to the **end of February**, and summer audits prior to **July 31st**. Summer audits are only necessary if your society has students paying fees during a summer semester.

You can expect for the DSU VP Finance and Operations to have your books for up to one week to complete the audit. At completion of the process you will be given a completed copy of your audit workbooks with list of recommendations (if any) for future audits. You will be expected to improve in the areas where problems were found before your next audit.

Grants

Please visit <http://dsu.ca/services/grants> for up-to-date information regarding society grants, policies, and forms.

Further Information

For further information on a topic not covered here-in or to report errata in this manual please contact:

Gareth Stackhouse
Vice President Finance and Operations
Dalhousie Student Union
V.902.494.1278|F.902.494.6647| www.dsu.ca/dsuvpfo@dal.ca

Also <http://dsu.ca/aboutus/forms> contains this manual, audit workbooks, and other items.

Appendix 'A' – DSU Audit Workbook

Dalhousie Student Union Society Audit Work Sheet



Revised 2007 05 14

Society:
Term:

Society:
Term:
Audit Date:
Auditor:

Signed:

Purpose: To test the completeness, accuracy and existence of cash records of the society under audit.

Procedures: Society Treasurers MUST submit the following as detailed by the DSU Treasurer's Handbook

General Ledger		Bank Statements	
Cheque Book		Bank Reconciliations	
Deposit Book		Transaction Records	
Minutes (signed)			

If FIRST AUDIT of the School Year

Budget		Revenue&Expenses	
--------	--	------------------	--

Audit Summary:

		US	S	E
1	General Ledger			
2	Transaction Records			
3	Cheque Book			
4	Deposit Book			
5	Bank Reconciliations			

CONCLUSION

Notes:

Note: Should any sections be marked "unable to perform" then the books must be resubmitted before the levy may be issued. Any sections marked unsatisfactory must be satisfactory for the second audit before the levy may be issued.

Bank Reconciliation								
Must perform these procedures for the most recent month plus one additional month.								
							Completed	
1	Trace book balance to the G/L and the bank balance to the bank statement.						No	
2	Mathematically check accuracy of the bank reconciliation.						No	
3	Trace outstanding cheques and deposits to the G/L.						No	
4	Trace bank charges on the reconciliation to the G/L.						No	
5	Review outstanding cheques and ensure they are no older than 6 mths.						No	
Conclusion						US	S	E
	Bank reconciliations are performed accurately.							
	Bank charges are recorded in the G/L.							
	Cleared cheques are ticked off in the G/L.							
	Notes:							

Appendix 'B' – Sample Transaction Record

Society Name

- Date: (The date of the transaction)
- Debit or Credit: (What type of transaction it was. Remember debits = money out, credits = money in)
- Amount: (The amount of the transaction)
- Cheque #: (If relevant, not all transactions are cheques)
- To/From: (The actual name on the cheque or invoice)
- Approved by: (Who on exec approved it/council vote)
- Particulars: (Include as many relevant details as you can)

(Attach all returned cheques, invoices, receipts and supporting paperwork to this form and keep in a binder or somewhere together and safe)

Appendix 'C' - Reconciliation Template

_____ Society
 Bank Reconciliation
 For the Month Ended _____, _____

Balance as per bank statement....._____ (get from statement)

Add outstanding Deposits: (*money that has yet to be deposited, or has been deposited since statement date*)

Date	Chq#	Name	Amount
_____	_____	_____	_____
_____	_____	_____	_____

Total....._____

Less outstanding cheques: (*compare cheque numbers on statements and returned cheques with what is recorded in your ledger*)

Date	Chq#	Amount
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Total....._____

Adjusted Bank Balance....._____

Balance as per General Ledger....._____

(*this is taken straight from your G/L*)
 Adjustments: (*i.e. bank charges & interest*)

Adjusted General Ledger....._____

(*This should match your Adjusted Bank Balance*)

